



FANTINI'S GAMING REPORT[®]

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Special Reporting Service

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Fantini's COVID-19 Gaming Daily

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NOTE: We welcome all news and developments that companies and investors want to submit for this report. Send to Editor@FantiniResearch.com. In addition, you may reach Editor Blake Weishaar at BWeishaar@FantiniResearch.com or by phone at +1 302 730 3793.

IGAMING SOARS

iGaming demand is growing as gamblers turn to digital from land-based gambling.

Adam Krejcik of Eilers & Krejcik Gaming indicated high mobile gaming download demand in March.

Average weekly mobile game downloads rocketed 80 percent in China in February vs. all of last year and jumped 25 percent from January.

Italy hit records in the week ended March 15 with casino game downloads 127 percent over the prior week.

A Morgan Stanley survey shows that online and mobile gaming downloads have grown 33 percent.

Krejci's report is available from Alex Capitle at +1 302 730 3793 or ACapitle@FantiniResearch.com.

Elsewhere:

- POKERSCOUT. The number of online poker players jumped 82 percent to 286,479 in the week that ended today (Friday) based on numbers from Pokerscout.

Cash poker players were up 95 percent to 59,930.

- EVOLUTION GAMING's live casino is in strong demand in the absence of sports betting content, CEO Martin Carlesund said.

It is inevitable that the virus will impact Evolution's business, but the company has a strong financial position, he added.

Evolution is calm and methodical in daily decisions while ensuring the safety of employees, he said.

- INDIA. iGaming companies are reporting increases in play, The Hindu reports.

Online poker operator 9stacks reported a 10 percent increase in active users over the last week.

Poker site Adda52 reported daily active users grew 12 percent since March 10 while the average time spent on its platform grew 18 percent.

Daily gameplay for the World Cricket Championship game on eSports platform MPL rose 400 percent from March 2 to March 18.

Social gaming platform Hello Play grew average gameplay time 15 percent.

SISOLAK, AGA WANT RELIEF

Nevada Gov. Steve Sisolak asked President Donald Trump to include the state's gaming industry in a federal stimulus package.

Trump said he thinks it's "a great idea" and "something we'll be thinking about."

This follows calls from the American Gaming Association and MGM Resorts CEO Jim Murren for federal aid to help support the industry's estimated 616,000 out-of-work employees.

Public Pool posted a transcript of the call involving Sisolak:
<https://publicpool.kinja.com/subject-remarks-by-president-trump-and-vice-president-1842419943>.

Meanwhile, the American Gaming Association is calling for urgent action saying the closing of America's casinos for the next two weeks will cost the economy \$43.5 billion.

Ninety-five percent of commercial casinos, or 443 properties, and 82 percent or 524 tribal casinos have closed, the AGA said.

That affects 622,000 casino workers, 98 percent of the US casino workforce, and risks nearly \$74 billion in annual wages, the AGA said.

The impact goes beyond casinos and affects almost two million Americans in the hospitality industry as travel, hotel occupancy, restaurants and retail shoppers have all declined, the AGA aid.

Full report: https://www.americangaming.org/wp-content/uploads/2020/03/AGA_CV19_Factsheet-FINAL.pdf.

MACAU VISITATION PLUNGES

Macau visitation plummeted 95.6 percent to 156,394 in February.

The number of overnight visitors dropped 95 percent to 75,304 while day-trippers were down 96 percent to 81,090.

The number of visitors from Mainland China plunged 97.2 percent to 72,307. Those traveling under the Individual Visit Scheme was reduced by 99.6 percent to 5,822.

Hong Kong's visitors were down 90.5 percent to 62,489. Those from Taiwan decreased 92.8 percent to 5,967.

Visitation fell 56.9 percent to 3.007 million through February.

Full report: <https://www.dsec.gov.mo/Statistic/TourismAndServices/VisitorArrivals/2020%e5%b9%b42%e6%9c%88%e5%85%a5%e5%a2%83%e6%97%85%e5%ae%a2.aspx>.

MORGAN STANLEY: TWO-THIRDS CANCEL TRAVEL

Two-thirds of people with travel plans as of March 17 canceled or delayed them, according to a survey by Thomas Allen of Morgan Stanley.

In all, 58 percent of respondents had planned travel.

Twenty-nine percent had plans to travel internationally and 21 percent planned to go on a cruise.

CLOSURES, POSTPONEMENTS: AZ, CA, FL, IA, MN, NJ, NM, ND, OK, RI, TX

The following have closed casinos or postponed events:

- Arizona. Apache Gold and Apache Sky casinos.
- California. Spotlight 29 and Tortoise Rock casinos.
- Florida. Seminole and Hard Rock casinos.

- Iowa. Coeur d'Alene casino.
- Minnesota. Leech Lake casinos.
- New Jersey. East Coast Gaming Congress in Atlantic City was proposed until October.
- New Mexico. All casinos.
- North Dakota. Seven Clans casinos.
- Oklahoma. Grand and FireLake casinos.
- Rhode Island. Twin River's two casinos will be closed for an additional week through March 27.
- Texas. Kickapoo Lucky Eagle casino.
- UK betting shops have been closed and Formula 1, Tennis and UK soccer leagues extended their suspensions to June.

PENNSYLVANIA GROUP: SHUT SKILL GAMES

Pennsylvanians Against Illegal Gambling are calling for the shut-down of unregulated so-called skill games now that casinos, bars and restaurants are closed.

The same could occur in Virginia, where legislators are close to banning the games, and in Missouri where casinos are also shut down.

ANALYSTS: BALANCE SHEETS

- Stephen Grambling of Goldman Sachs said that most casino operators have strong enough liquidity to suspend operations for the rest of the year without the need for additional financing.

Las Vegas locals casinos should rebound before the Las Vegas Strip when Nevada reopens as air travel recovery may be slow because of concerns, he said.

Months of operation without the need for additional financing:

Las Vegas Sands	36.3 months
Wynn Resorts	15.4
MGM Resorts	15.3
Red Rock Resorts	8.3

- Carlo Santarelli of Deutsche Bank said that MGM is in a strong financial position as investors shift focus to balance sheets.

The termination of the \$1.25 billion Dutch tender gives additional cushion to MGM's solid financial resources, he added.

Santarelli assumes MGM will reduce non-gaming tax related costs by 60 percent in Las Vegas and 50 percent at regional properties, which should help pay labor, utilities and insurance, he said.

Corporate costs are forecast at 20 percent lower.

Santarelli assumes MGM will continue to pay quarterly dividends, an annual \$270 million cost.

COMPANIES: FDJ, PENN, TRWH

- FRANÇAISE DES JEUX. The French gaming operator expects lottery revenue will fall as much as €72 million per month and EBITDA €27 million per month before any cost-saving efforts.

Sales of the Amigo lottery game have been suspended in order to avoid having large groups of people gathering at lottery venues. The game accounted for 80 percent of lottery revenue last year.

Sports betting cancellations are expected to result in sports betting revenue declines of €120 million and EBITDA of €55 million for the year.

Française des Jeux is instructing employees to work from home.

- PENN NATIONAL's Hollywood Charles Town resumed horse racing Friday but postponed the April 18th's G2 Charles Town Classic to another date.

- TWIN RIVER drew the remaining \$250 million from its revolver in order to increase cash and financial flexibility.

ELSEWHERE: AUSTRALIA, CHINA, NEW ZEALAND, UK

- AUSTRALIA. Tasmania became the first state to close its borders, with all non-essential travelers required to self-quarantine for 14 days.

- CHINA's state-run lotteries are now operating at two-thirds capacity after being shut down for 49 days.

Lottery retailers were required to undergo training to disinfect shops and install temperature detectors prior to reopening.

China's lottery sales fell 43.3 percent to \$3.9 billion in January as the virus began to spread.

- NEW ZEALAND closed borders to visitors from all other countries, including tourists, temporary visa holders, students and temporary workers.

Meetings of more than 100 people will soon be banned.

New Zealand had 39 confirmed cases of the virus as of Friday morning.

The country's racing betting agency TAB asked for a cash bailout due to COVID-19 but has yet to receive a definitive response, Asia Gaming Brief reported.

The Racing Industry Transition Agency confirmed TAB is in a dire financial situation as sporting event cancellations have cost TAB NZ\$8.7 million in revenue.

TAB also made an error on bonus bets which cost an additional loss of \$2.2 million.

- UNITED KINGDOM. The Betting and Gaming Council criticized the Chancellor of the Exchequer's decision to exclude gambling companies from receiving financial relief, iGaming Business reported.

Exchequer exempted retail, leisure and hospitality businesses from paying business taxes for 12 months.

Aside from the business rate relief, the council said Exchequer could pay a portion of payroll costs, grant access to business interruption loans and allow more time to pay taxes.

ABOUT THIS REPORT:

In Fantini's COVID-19 Gaming Daily report we consolidate all developments about the virus that have business and investment implications for the gaming industry. We will post them on our website 5 days per week (M-F) until further notice. Fantini's COVID-19 Gaming Daily is a Special Report that is included with all levels of Fantini's Gaming Report subscriptions.

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